

SECRETARY'S RECORD, NEBRASKA PUBLIC SERVICE COMMISSION

BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

In the Matter of the ) Application No. C-3802  
Application of Digital ISP )  
Group, Inc., Lincoln, seeking )  
authority to operate as a )  
local exchange and ) GRANTED  
interexchange carrier of )  
telecommunication services )  
within the State of Nebraska. ) Entered: June 26, 2007

BY THE COMMISSION:

By its application filed April 30, 2007, Digital ISP Group, Inc., ("Digital" or "Applicant"), Lincoln, seeks authority to operate as a switchless, non-facilities-based resale local exchange carrier and interexchange carrier of telecommunications services within the State of Nebraska. Notice of the application was published in the Daily Record, Omaha, Nebraska, on May 3, 2007. No protests were filed; therefore, this application is processed pursuant to the Commission's Rule of Modified Procedure.

O P I N I O N S   A N D   F I N D I N G S

Applicant is a privately held corporation organized under Nebraska law with its principal offices located in Lincoln, Nebraska. Applicant has no other authorities and does not provide service in any other states. Neither Applicant nor its officers have been the subject of any formal complaints or other investigatory proceedings.

Applicant seeks authority to provide non-facilities-based, resold local exchange and interexchange telecommunication services throughout the State of Nebraska. Applicant plans to provide switched and dedicated local exchange telecommunications services to businesses and residences using network services provided by AT&T Communications and from time to time may offer other services provided by other registered local exchange carriers.

Applicant proposes to offer switched and dedicated access telecommunications services suitable for voice and limited data applications. Digital maintains a customer service network that is staffed 24 hours a day, 7 days a

week. Applicant has a toll-free number for billing and customer service related issues.

Further, the Applicant shall and has agreed to comply with all state and federal rules and regulations governing the provisions of dialtone or voice grade service.

Exhibit 3 and subsequent supplemental filings to the application contains independently prepared financial statements. The Applicant does not propose to require advanced payments or deposits.

Applicant states it possesses the necessary expertise and management team to serve its Nebraska customers. In a supplemental filing to the Applicant's application, Applicant provided profiles of its key executive and technical management.

Applicant states a grant of this application will serve the public interest because Applicant's proposed services are developed to serve the local service needs of subscribers who cannot otherwise realize similar cost savings through local carriers, enhance consumer choice by broadening innovative telecommunications service alternatives, and benefit the public through ongoing affordable rates maintained by the additional competitive pressure placed on other competitors.

The Commission considers this application for authority in light of the following criteria and standards established in the Commission's telecommunications rules:

- (a) Whether the Applicant has provided the information required by the Commission;
- (b) Whether the Applicant has provided a performance bond, if required;
- (c) Whether the Applicant possesses adequate financial resources to provide the proposed service;
- (d) Whether the Applicant possesses adequate technical competence and resources to provide the proposed service;

- (e) Whether the Applicant possesses adequate managerial competence to provide the proposed service; and
- (f) Whether granting the Applicant a certificate preserves and advances universal service, protects the public safety and welfare, ensures the continued quality of telecommunications services and safeguards the rights of consumers, pursuant to Section 253(b) of the Act.

Applicant has demonstrated that it meets the standards of financial, technical, and managerial competence and all other criteria necessary to provide local exchange and interexchange services in the State of Nebraska.

These opinions and findings carry no precedential value other than establishing minimum standards and criteria to apply when considering applications to provide interexchange and local exchange services. All telecommunications carriers seeking such a certificate must demonstrate that they meet, at a minimum, the standards and criteria set forth herein.

Before the Applicant is allowed to provide local exchange service to its users, it must either:

1. Through negotiation or arbitration, reach an interconnection/resale agreement with the pertinent incumbent local exchange carrier and receive Commission approval of the interconnection/resale agreement; or
2. In the event a certified local exchange carrier provides a wholesale tariff, purchase rates from that tariff, file its own tariff and receive Commission approval of its tariff.

This order does not terminate, waive or in any manner diminish the exemptions and protections created by the Act for rural carriers, as defined by the Act. This order does not address the issue of the rural local exchange carrier exemption under the Act. Rural exemptions may be terminated, suspended or modified only as provided in Section 251(f) of the Act.

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Prior to providing service in any area in the State of Nebraska, Applicant must file tariffs in accordance with the provisions of Section 002.21 of the Neb. Admin. R. & Regs. Title 291, Ch. 5.

Upon the offering of interexchange and/or local exchange services in the state of Nebraska, Applicant would be subject to the same laws, rules and regulations, both federal and state (including any laws, rules or regulations regarding universal service, restrictions on joint marketing and quality of service), applicable to any other local exchange company except those obligations imposed on ILECs pursuant to Section 251(c) of the Act.

O R D E R

IT IS THEREFORE ORDERED by the Nebraska Public Service Commission that Application No. C-3802 be, and hereby is, granted.

IT IS FURTHER ORDERED that Applicant is obligated to abide by the same laws, rules and regulations, both federal and state (including any laws, rules or regulations regarding universal service, restrictions on joint marketing and quality of service), applicable to any other interexchange and local exchange carriers, except obligations imposed on incumbent local exchange carriers pursuant to Section 251(c) of the Act.

IT IS FURTHER ORDERED that, to the extent Applicant provides access line service as referenced in the Telecommunications Relay System Act, Neb. Rev. Stat. §§ 86-301 through 86-315 (Relay Act) and defined in Neb. Admin. R. & Reg. Title 291, Ch. 5 § 001.01B, the Applicant shall collect from its subscribers a surcharge (Relay Surcharge) pursuant to the relay act and the Commission's annual orders establishing the amount of the surcharge, and shall remit to the Commission the proceeds from the relay surcharge as provided by the Relay Act.

IT IS FURTHER ORDERED that the Applicant comply with all necessary statutes and Commission Rules and Regulations as they pertain to the Nebraska Universal Service Fund.

IT IS FURTHER ORDERED that Applicant shall file, in accordance with the applicable statutes, on or before April 30 of each year, an annual report with the Commission

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consisting of: (a) a copy of any report filed with the Federal Communications Commission; (b) a copy of any annual report to stockholders; and (c) a copy of the latest Form 10-K filed with the Securities and Exchange Commission. If such reports are unavailable, Applicant shall file a balance sheet and income statement for the previous year of operation, and for the State of Nebraska on a combined interstate-intrastate basis, the investment in the telephone plant and equipment located within the state, accumulated depreciation thereon, operating revenues, operating expenses and taxes.

IT IS FURTHER ORDERED that within 30 days from the entry of this order that the Applicant file a tariff and pay appropriate filing fees with the Commission as required by state statutes and the Commission's regulations.

IT IS FINALLY ORDERED that this order be, and hereby is, made the Commission's official Certificate of Public Convenience and Necessity to the Applicant to provide non-facilities-based, resold interexchange and local exchange telecommunications services in the State of Nebraska.

MADE AND ENTERED at Lincoln, Nebraska, this 26th day of June, 2007.

NEBRASKA PUBLIC SERVICE COMMISSION

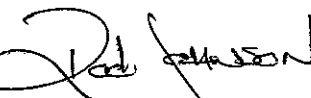
COMMISSIONERS CONCURRING:



Chairman



ATTEST:



//s// Rod Johnson  
//s// Frank E. Landis

Executive Director

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